

Testimony of

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before

Environment Committee

March 1, 2010

regarding

Senate Bill No. 118

An Act Concerning Connecticut Qualified Biodiesel Producer Grants

## *Introduction*

*The Connecticut Center for Advanced Technology, Inc. ("CCAT") offers this testimony regarding Senate Bill No. 118: An Act Concerning Connecticut Qualified Biodiesel Producer Grants.*

The Connecticut Center for Advanced Technology, Inc. (CCAT) is a nonprofit corporation that provides services and resources to entrepreneurs and businesses and, through collaboration with industry, academia, and government, to help companies innovate and compete, thereby strengthening our nation in the global market. The Energy Initiative at CCAT has been established to improve the economic competitiveness of the region through solutions that lower energy costs and increase long-term energy reliability. CCAT administers the Connecticut Biodiesel Production and Distribution Grant Program, with funding provided by the Department of Economic and Community Development, which provides grants for the production of biodiesel and the construction and/or modification of biodiesel production and distribution facilities. Through this program, CCAT seeks to increase economic growth opportunities for Connecticut's clean energy sector and promote a greater use of biodiesel; advance technological innovation in biodiesel; increase public confidence, support and awareness for biodiesel; support the development of biodiesel production and distribution equipment and facilities; and reduce dependence on fossil fuel consumption, and greenhouse gases emissions.

CCAT has administered the Connecticut Biodiesel Production and Distribution Grant Program as a reimbursement program with funding provided upon completion of the biodiesel production facility and confirmation that the applicant is a qualified biodiesel producer. The proposed modifications identified in the Bill include amending the definition of "qualified biodiesel producer" and allowing the approved grants to be used for "the initial purchase of biodiesel production equipment or with the construction, modification or retrofitting of biodiesel production facilities".

*The Connecticut Biodiesel Production and Distribution Grant Program provides economic and environmental benefits to the state of Connecticut.*

CCAT, in consultation with the Connecticut Department of Economic and Community Development, has approved grants through the Connecticut Biodiesel Production and Distribution

Grant Program for three biodiesel production facilities in Connecticut that would have a combined production capacity of approximately 22.5 million gallons per year. These facilities are expected to provide the following benefits to the state annually:

- Monetary value of the biodiesel fuel produced of approximately \$97 million;
- Carbon dioxide reductions of approximately 181,000 tons;
- Monetary value of the carbon dioxide offsets of approximately \$557,000
- Over 200 new jobs including direct, indirect and induced impacts; and
- Serve approximately three (3) percent of Connecticut's #2 distillate market.

While the benefits of the Connecticut biodiesel production grants identified above are substantial, these impacts may increase with the growth of the biodiesel market.

### *Conclusion*

CCAT is supportive of the Connecticut Biodiesel Production and Distribution Grant Program that provides resources to enhance Connecticut's biodiesel production capacity and supports legislation that enhances the ability of companies to receive support and assistance from the state. It should be noted that while this Program was initially funded to provide distribution assistance, production incentives, and research, the funding for these programs may end during calendar year 2010 including CCAT's ongoing ability to administer the Connecticut Biodiesel Production and Distribution Grant Program.

CCAT will make itself available to the Committee and legislature upon request to provide or clarify information about the Connecticut Biodiesel Production and Distribution Grant Program or to assist in the refinement of this legislation.

Respectfully submitted,

CONNECTICUT CENTER FOR ADVANCED TECHNOLOGY, INC.

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